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Opinion: Gov. Schwarzenegger's Latest Blockbuster Not "T-3" - Introducing "P3"

By Brad Mitzelfelt

In his State of the State address on January 8, Governor Arnold Schwarzenegger spoke of an innovative way to build projects by turning to the real engine of our prosperity -- the private sector. The policy is called "P3," which is short for Public-Private-Partnerships. The Governor also talked about passing legislation to cut red tape for building P3 projects. We need that legislation in place soon.

Traffic on our highways continues to increase. Not only is the number of cars increasing, but we're also seeing more truck traffic. And it's only going to get worse. It's predicted that the volume of freight traffic coming from the seaports in L.A., Long Beach and Hueneme in Ventura County is going to triple. With traditional sources of money for new infrastructure being as dry as the Mojave River in summer, we need to find innovative ways to build new highways.

One such P3 project is already underway and has galvanized two counties -- Los Angeles and San Bernardino -- and five cities -- Palmdale, Lancaster, Adelanto, Victorville and Apple Valley -- to work together collaboratively and innovatively to build a new P3 transportation project called the High Desert Corridor.

In March, a two-county Joint Powers Authority will be receiving proposals from engineering firms to privately finance and design the new corridor and join it with public sector projects already underway in Victorville. We see this as a prototypical P3.

As part of redevelopment projects in Victorville, the initial east end of the highway's planning and environmental review is well underway, with CalTrans projecting construction to begin in 2013. The first segment will link Interstate 15 to US-395. This would connect these two north-south truck corridors with a major new inter-modal rail yard under development at Southern California Logistics Airport (SCLA) -- the former George Air Force Base in Victorville. SCLA is the economic engine of the largest Redevelopment Area in the nation.

The logistics airport is already a base-closure success story, and its strategic value to California and the nation is now becoming more widely understood. With its new rail yard connected by a spur to BNSF's triple tracks, Victorville plans to double the region's capacity to put shipping containers onto rail cars -- a critical statistic when you consider that the L.A. basin's existing inter-modal yards have

reached their capacity. This new highway connection unlocks system-wide capacity at a critical time to enable growth and reduce negative impacts on communities. The result of these efforts will be jobs, economic growth, and traffic relief in the L.A. Basin and Inland Empire.

Proposition 1B transportation bond funds are now being considered for \$2 billion worth of freight-related projects. As one of four projects on San Bernardino County's priority list, we are hoping the High Desert Corridor competes successfully at the state level for these bond funds. If so, the funds would catapult the project from the drawing board to construction even sooner, beginning its westward expansion from Victorville to Palmdale.

If the project is successful in securing Prop 1B funds, the City of Victorville has pledged another public sector match of as much as \$200 million from redevelopment funds.

Public-Private Partnerships are not new for the region. In Victorville, private and local sources are already pumping close to \$1 billion into the development of airport, rail, and distribution center space, with exponentially more on the drawing boards there and in the Antelope Valley. In the Antelope Valley, the cities are finalizing plans to connect the High Desert Corridor to the LA/Palmdale Regional Airport, which is operated by LA World Airports. The cities and airports on the both ends of the Corridor are working on "inland port" plans to attract private sector logistics jobs.

Just for the development in and around the airport and rail yard in Victorville, the region would see more than 40,000 jobs created – amounting to \$5 billion in new annual economic activity.

Regionally, the High Desert Corridor will provide substantial congestion relief along Interstate 5 and State Route 14 in the Santa Clarita Valley, along Interstates 15 and 10, and Highways 60, 210, 138 and 18.

Nationally, the High Desert Corridor will provide the first direct express highway connection between the two north-south trade corridors in the Western United States -- Interstate 5 and Interstate 15. This missing trade link along the perimeter of the Southern California region will provide the time and economic incentives necessary for freight, trucks and motorists to bypass the most congested areas of the region. It will do this first by diverting truck traffic from the ports to rail. Later, it would further reduce congestion by diverting truck traffic from other Southern California freeways and highways and by bringing more jobs to the High Desert, meaning less commuters jamming our freeways.

All of this means a better quality of life for Californians.

The old way of financing and building infrastructure is growing obsolete. We've provided a very viable example of what the Governor envisions -- a partnership between government and the private sector that will benefit the economy, the environment, freeway congestion, and quality of life -- a Perfect P3.